

ATTACHMENT E
 2026-27 Proposed Rates
 Human Resources Department

The Human Resources Department Employee Benefits and Services Division (EBSD) is responsible for administering all County employee benefit programs, including the County’s health, dental, vision, salary and tax saving plans, life insurance, and integrated leave programs for active and retired employees, in addition, to administering the COBRA benefits to those employees who have lost coverage. To offset costs associated with these programs, an administrative fee is collected from employees for the administration of benefits, which is collected from biweekly payroll deductions. A revenue agreement between the County and the salary savings carrier, Voya, offsets most program costs. However, certain program expenses are not fully recovered, including, but are not limited to, life insurance, combined giving campaign, employee discount programs, tuition loan repayment, the Retirement Medical Trust, Affordable Care Act reporting requirements, administration of modified benefit options, leave cash out requests, sick leave conversion, administration of supplemental paid sick leaves, pre-retirement consultations and education, front office staff and other indirect costs. Overages in these program costs are offset by a departmental recharge rate that was first implemented in fiscal year (FY) 2006-07.

EBSD is requesting an increase of \$588,881 (26%) to the departmental recharge, from \$2,278,411 in 2025-26 to \$2,867,292 in 2026-27. This translates to an increase in the charge per position from \$83.42 in 2025-26 to \$104.49 in 2026-27. The increment is required to maintain current staffing levels and operating expenses. Additionally, a true-up of the FY 2024-25 Rates against actual expenditures incurred, uncovered a shortage totaling \$180,668. The impact to departments will be a 25.3% increase from prior year costs.

The increase in the recharge is primarily attributed to Board-approved salary and benefit across-the-board increases, but also due to increased personnel costs in unfunded program expenses that do not have an established administrative fee. Additionally, tax saving plan forfeited funds have declined and are no longer sufficient to offset program expenses.

The department requests approval of the increase to maintain current staffing and operating levels. If the increase is denied, EBSD will not be able to administer many employee benefit programs and would need to delete up-to four positions, which would further increase existing workloads and delay service to active and retired employees.

Approval of the departmental recharge above will have the following departmental and Net County Cost impacts:

25-26 Recharge	26-27 Recharge	Change	Estimated Net County Cost	User Department Cost Impact
\$2,278,411	\$2,867,292	\$588,881	\$155,724	\$21.07 increase per budgeted employee due to EBSD increased personnel and operating expense